

Office of the Inspector General

March 19, 1999

Helen Hepner
Director
Management Analysis and Audit Program Support Staff

Acting Assistant Inspector General
for Audit

Single Audit of the District of Columbia (A-77-99-00005)

This report presents the Social Security Administration's portion of the District of Columbia's Single Audit for Fiscal Year ended September 30, 1996. Bert Smith and Company, Certified Public Accountants, performed the audit. Their report on compliance is attached (see Appendix A).

The following findings relate to the District of Columbia's Disability Determination Services (DDS). The DDS: 1) did not submit Time Reports of Personal Services timely, 2) did not report medical evidence of record data on a cumulative basis, and 3) could not provide documentation to support expenditures of \$2,350. In addition, the hours reported by the DDS on the Time Reports of Personal Services did not agree to official State time and attendance records.

The Department of Health and Human Services' (HHS) desk review concluded that the single audit report was not in compliance with Office of Management and Budget Circular A-128 requirements (see Appendix C). The report did not correctly define material weakness in relation to Federal financial assistance programs. Therefore, the report gave no assurances that all Federal program weaknesses considered material were identified. HHS' transmittal letter stated:

"The serious nature of weaknesses identified as findings leads us to conclude there is more than a relatively low level of risk associated with the department. We are highlighting the department for closer monitoring and increased attention by grants management staff to protect the Federal interest. We are also recommending that the Office of Grants and Acquisition Management highlight this condition for all HHS awarding agencies."

We are currently conducting an audit of administrative costs claimed by the District of Columbia's DDS. The audit covers the period of October 1, 1994 through September 30, 1997. The report will be issued to SSA within the next few months.

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Please send copies of the final Audit Clearance Document to Mark Bailey in Kansas City and Paul Wood in Baltimore. If you have questions contact Mark Bailey at (816) 936-5591.

Daniel R. Devlin

Attachments

cc:

Paul Wood, OIG/OA

Trudy Williams, MAAPSS